

RD AN No. 3612 (2006-M)
February 9, 2001

SUBJECT: Management Control Review Follow-up Process

TO: Rural Development State Directors

ATTN: Management Control Officers

Purpose/Intended Outcome: This AN is being issued to provide clarification and guidance in conducting and monitoring follow-up activities for the Management Control Reviews (MCRs).

Implementation Responsibilities: Each year, a compilation of final MCR reports is issued with the findings resulting from each of the reviews. Recommendations for corrective action are included for each of the weaknesses identified.

The MCRs are reviews of a specific program or functional area from the headquarters level to the lowest operational level. Therefore, the recommendations for corrective action to address the weaknesses resulting from these reviews are for both National Office managers and States to implement. The report clearly identifies who is responsible for implementing the recommended corrective action.

The States that are included as part of the MCRs are utilized as a sampling from which to evaluate the assessable unit being reviewed. In conducting the MCR, trends are found and reported, and no States are identified in the final report.

The National Office managers and State Directors are responsible for implementation of the recommendations in the final consolidated MCR report. The recommendations for State Directors must be implemented by **all** States once the report is issued, not just the States that were included as part of the MCR. The State Management Control Officer (MCO) should track and monitor all State Director recommendations and provide documentation supporting the implementation of the corrective actions to the appropriate National Office manager.

EXPIRATION DATE:
September 30, 2001

FILING INSTRUCTIONS:
Preceding RD Instruction 2006-M

The Financial Management Division (FMD) will conduct the follow-up process through the National Office managers. The National Office managers will coordinate and conduct follow-up activities with the States to provide the necessary information and documentation to the FMD for resolution of the recommendations and closure of the report.

The FMD will track and monitor all recommendations in the final consolidated MCR report to ensure corrective actions are implemented.

If there are any questions regarding the MCR process or follow-up requirements, please contact Gail Lacey of the FMD at (202) 692-0081.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Acting Deputy Administrator
for Operations and Management